

ARA case book

U.S. DEPARTMENT OF COMMERCE



AREA REDEVELOPMENT ADMINISTRATION

NUMBER

6

SEPTEMBER 1964

The studies on which these summaries are based were accomplished by professional consultants under contract to the Area Redevelopment Administration. While ARA assumes no responsibility for the statements and conclusions made, it believes that the problems discussed, and the solutions suggested, may be useful as a direction or indicator of experience to many communities engaged in economic development and redevelopment.

TECHNICAL ASSISTANCE IN AREA REDEVELOPMENT

The ARA technical assistance program demonstrates that modest investments to close gaps in technical "know-how" can make important contributions to the rehabilitation of distressed areas. Favorable results of technical investigations have paved the way for the development of industries, thereby generating new employment.

Technical assistance identifies and makes a direct attack upon the obstacles to new job development in many ways:

- Special analyses of mineral, timber, and other resources to prove their availability for industrial use
- Analytical studies to determine whether proposed new enterprises have a reasonable opportunity for success
- Counseling and training of local leaders in economic development techniques.

In addition to direct assistance by the ARA staff, arrangements are made through contracts with specialized research firms, university teams, technical consultants, or the scientific and technical services of Federal, State or local agencies, to provide the specific help which can make it possible for a community to move forward with its development efforts.

The Procedure

In order to generate maximum employment and to get the greatest accomplishment for each dollar spent, a great many steps are involved, once the request for technical assistance has been received by ARA. Among these steps are:

- Determining the relationship to other ARA projects
- Clearance with other Federal agencies in order to prevent duplication and to receive the benefit of their specialized competence



Case Book No 6 - September 1964

The Role
of
TECHNICAL ASSISTANCE
in
AREA REDEVELOPMENT

Technical Projects Division
Office of Planning and Research
Area Redevelopment Administration

Eight technical assistance projects which illustrate ARA's program of specific remedies for specific problems in economic growth. As an integral part of the ARA program, technical assistance helps areas overcome the economic roadblocks impeding the full use of local resources.

- Discussions and correspondence with the applicant concerning revision, modification, or other improvement in the basic proposal
- Selection of qualified contractors, where indicated, to perform the project
- Monitoring the progress of the work to make certain that it will meet high standards
- Reviewing the draft of the final report, including the solicitation of comments from experts elsewhere in ARA and in other Federal agencies
- Presentation of the final report to the applicant
- Follow-up activities to get the most successful utilization of the report results.

Local Projects

Practically every locally-prepared overall economic development program (OEDP) cites one or more roadblocks to economic growth which could be overcome by technical assistance. Local and State financial contributions are obtained, wherever possible, with ARA furnishing the balance. If a private firm will benefit directly from ARA technical assistance, reimbursement may be required.

COMMERCIAL DEVELOPMENT OF TIMBER-BASED INDUSTRIES— EASTERN KENTUCKY

Whenever "depressed areas" are mentioned, eastern Kentucky inevitably comes into discussion. Erosion of its traditional economic base makes imperative the development of new industries, and extensive forest resources, along with market studies, show the wood products industry to be one of the best possibilities for the future. The 1960 Kentucky Legislature provided for an expanded Kentucky Forestry Program which doubled appropriations to basic forestry conservation and development activities.

Governor Bert T. Combs appointed a Kentucky Forestry and Timber Industry Task Force, which was to look into actions needed to convert the forest resource into a major economic base. The Task Force reported that nearly three-fifths of the counties of the State, are in designated redevelopment areas. Many of these counties suffer from the most concentrated and chronic unemployment in the United States.

Background

In eastern Kentucky alone (32 counties) there are more than 8,000 square miles in forests—76 percent of the land area. Yet total eastern Kentucky wood use activity produces

Regional Projects

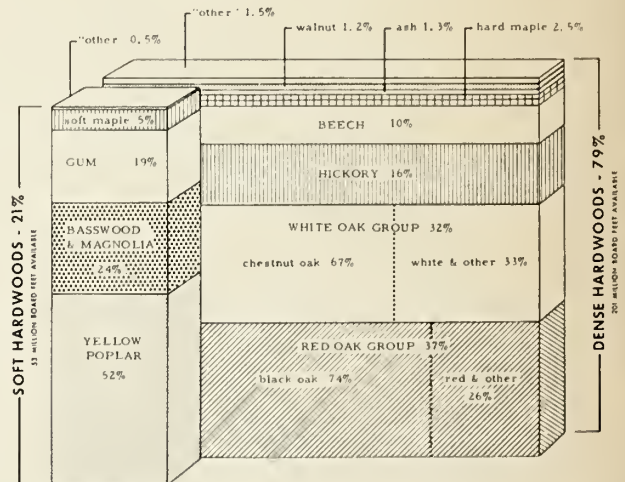
The benefits of technical assistance are not limited to the local applicant. When the problem is of such a nature that the knowledge gained through technical assistance can be useful to other areas the results are published for wider dissemination. A comprehensive publications program has been established and through this program, the effects of ARA's minimal investment are multiplied.

Time Element

Redevelopment is a lengthy process. Problems do not evolve overnight, nor can we expect that they will be solved overnight. Every major weapon must be brought into action in the unending battle against unemployment and poverty. Technical assistance is demonstrating that it is, indeed, an effective weapon.

Up to October 1, 1964, nearly 1,000 requests for technical assistance amounting to over \$40 million had been received. Of this number, about 425 proposals were approved to utilize the available appropriations. Some examples of these projects follow.

SPECIES COMPOSITION OF THE HARDWOOD
SAWTIMBER INVENTORY IN EASTERN KENTUCKY



only 325 million board feet of rough lumber annually, and with a value of about \$25 million, there are virtually no added processing operations. Total employment involved is not more than 3,500 mostly in low-paying jobs.

If only one-fourth of the 325 million board feet of rough lumber could be processed in the region instead of elsewhere, the value in terms of direct income to the region and direct jobs created could be increased three to five times. This could mean 20,000 to 25,000 new jobs—

nearly half the new jobs required to meet one of the most severe unemployment problems in the country.

Problem Areas

The Task Force could see no clear indications that commercial timbering would expand, that new processing operations would be established, or that commercial operations would assume a significant partnership in the forestry redevelopment program unless further steps were taken. Since the major part of the resource is on private lands, public conservation alone could not do the job, and even intensive public conservation programs would lose some of their effectiveness unless they were related to specific commercial objectives.

At present, local commercial activity is not geared to participate in a major development of timber lands. It cannot, as presently constituted, foster establishment of new processing operations. Nor is it of size and type to compete in the industry today. Further, without remedial measures, commercial interests from outside are unlikely to locate in the area (at least in adequate number to create a significant timber industry) because of adverse factors in competition with other areas.

Technical Assistance Requested

Based on the Task Force report, the Kentucky Area Program Office applied to ARA for technical assistance. The request was approved and a contract entered into for the formulation and publication of a prospectus for a forestry and timber products corporation in eastern Kentucky. The prospectus had as its objective the creation of a dynamic forest-based industry, providing a blue print of operations from timber management through detailed analysis of and recommendations for profitable wood using industries. Studies preceding preparation of the prospectus involved development of information concerning forest types, wood species, wood growth, volume, existing utilization, labor conditions, transportation, community influences, market and other economic factors.

Pre-Prospectus Report

The investigative report found four factors impeding establishment of a wood-use complex but made recommendations for proper structuring and operational planning to neutralize them:

- It appeared that the forest resources of the region had been "high-graded" (selective removal of the most valuable trees), and as a result there was a preponderance of middle to lower quality stock. The answer is to manufacture a product line not dependent upon the availability of the very best wood raw material.

- The region had no experience of supporting a durable or expanding wood products industry. This lack of business and management acumen, a result of unusually restricted activity in the industry, can be overcome by the application of training programs and initial reliance upon outside management and supervisory talent.

- The pulp and paper industry, the furniture industry, and other processing industries had largely by-passed the region and they now surround it with firmly entrenched competitive activity. This can be met by a capable marketing organization supported by quality products that can be sold at competitive prices.

- The region had certain sociological and economic characteristics that have been—and in some instances still are—unfavorable to industry. This can be modified by fair business policies, a willingness to work with the local population, and a cooperative attitude in dealings with independent businesses.

The Prospectus

Scope, arrangement, and content of the completed prospectus is such that it serves as a permanent reference for development of a vigorous forest resource, may stimulate interest in forming new businesses, and provide direct practical assistance to expansion of existing businesses. It is a document that can be applied to generating interest by community leaders, potential investors and business leaders in the organization and establishment of a forest industry processing and marketing complex in eastern Kentucky.

The report found that the diverse operations involved in converting saw logs and cordwood into finished products can be performed to best advantage by a wood processing complex—a single organization equipped with facilities that enable manufacture of a broad product mix obtained from all grades and by-product forms of the original raw material. The complex would be required to use as much of its total raw materials as technical know-how permits. The marketing activities of the complex can be conducted by a subsidiary corporation that in addition to selling products would be responsible for advertising, customer relations, and liaison between the processing complex and its markets.

Assuming the successful issue of \$1.5 million of capital stock, the processing corporation will be able to pay only about 40 percent of the total projected cost of equipment required. Several approaches to financing the balance are suggested.

Throughout the course of the study period the contractor assumed promotional and ad-

visory responsibilities in order to establish a mutuality of interest that would culminate in full regional support for the project. These included guidance in organizing a corporate instrument to carry out the recommended business and leadership in acquiring financial support. The consultants appeared at numerous public meetings where full information was made available to representatives of existing industries and any others interested.

The Outgrowth

By the end of the contractual period the objective of the service contract had been fulfilled. Kenwood Products, Inc., was estab-

lished as a Kentucky Corporation to carry out the plan of the project. The corporation is a product of the combined organizational efforts of the contractor, the Kentucky Forestry and Timber Industry Task Force, and business and community leaders from eastern Kentucky. At present, well over \$50,000 has been subscribed by investors (the amount suggested by the consultant for initiating the corporation); furthermore, options to a site have been acquired.

The detailed report, "A Forest Industry Processing and Marketing Complex for Eastern Kentucky" is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D. C. 20402. Price is 75 cents.

DRAINAGE PROBLEMS AND SOIL BEARING CAPACITY— MOSHASSUCK VALLEY, PAWTUCKET, R. I.

Pawtucket is faced with a problem that is becoming increasingly evident in metropolitan areas around the country. Its redevelopment is being blocked through inability to provide large industrial sites for new businesses and the expansion of old ones.

Background

Pawtucket showed a job loss of nearly 10,000 in the previous decade. By strenuous efforts the local redevelopment groups managed to arrest the trend and show a gain of about 600 new jobs per year for the last three years. However, delay in further development of the program will tend to erase these gains and hasten return of further declines in employment.

In January of 1963, requests for industrial land exceeded the acreage developed and available in the City of Pawtucket. Five prospects asked the Pawtucket-Blackstone Chamber of Commerce to find about 30 acres of land for 520,000 square feet of industrial buildings. Yet there were less than 10 acres left in the city industrial park and a similar area in private hands, some of which was being withheld by the owners for undisclosed reasons.

At least two of the prospects indicated they would be forced to move out of the City if new land were not made available to them. In the past year two plants moved out for that reason.

The Chamber of Commerce made a comprehensive survey of every plant in the area employing 100 or more persons. The survey indicated that many of them had outgrown their present location. A City Planning Commission survey showed that one-third of the firms queried expressed a desire to expand by 1965 if land were available. It is not surpris-



ing, therefore, that the Pawtucket section of the Rhode Island OEDP Committee identified the "study of Moshassuck Valley lands for more intensive use" as a priority item.

The lower Moshassuck Valley, in which Pawtucket is located, has a 70-acre site for increased industrial capacity. Nearby, there are 30 additional acres available in the central area of the valley. The total acreage is a 100 acres site adjacent to both the main line of the New Haven Railroad and Interstate Route 95, in the center of the Providence-Pawtucket Standard Metropolitan Statistical Area, the last major developable site in the City. In character and potential this site is similar to the very successful West River and Mashapaug Pond industrial development in the City of Providence.

Physical Characteristics

Technical questions concerning the site's physical characteristics—drainage, hydrology, soil-bearing capacity, and flood control—had to be answered before the City could embark on a program of site development that would

lead to new construction. It proved difficult to obtain interest by the public in the area as an industrial site because the land was a swampy area.

Need for Study

The City Planning Commission proposed a series of engineering studies under the general title, "Study of Draining and Soil-Bearing Capacity of Moshassuck Valley."

The Geological Survey, Department of the Interior, reported that the proposal "covers essential points, promises prompt completion of a report, and minimizes cost estimates. If this can be accomplished, the local Economic Development Committee will receive a real bargain."

The U. S. Army Corps of Engineers noted that, "The study of this area . . . appears to be technically sound, and if favorable, may result in a more worthwhile use of available land to the general benefit of the area."

ARA made about \$35,000 available and retained a well known firm of engineering consultants to perform the studies. In considering the land in question for possible industrial development, the problems which concerned the contractor were:

Hydrology—Flood drainage and recommended remedial measures. This includes surface and tidal storm runoff.

Pollution Survey—Determining the existing pollutional loads, means of reducing pollution throughout the Valley by control measures, and extension of sewers. This required close coordination with local and State health authorities.

Geological and Subsurface Studies—Determining the load-bearing capacity and permeability of the soil, and ground water levels as

they affect bearing capacities and such other construction as roadways and utilities.

Borings and Probings—Drilling ground water observation wells and taking monthly samples for a year of subsurface water. These probings also would help to determine the nature of the soil and depth to bedrock for construction planning.

Other Surveys—Mapping of the stream bed showing channel cross-sections, bridge elevations, sewer lines and other utilities as they affect the overall development plan.

Coordination—Because of the involvement of railroads, highway departments, utilities and local industries not only in Pawtucket but in nearby communities, it is necessary that the work and findings be fully coordinated.

Employment and Timetable

Estimates of the total employment effect of the development of the site range from 346 to 3,465 employees, depending upon the type of industry settling on the site. A middle figure of about 1,750 direct jobs is a fair estimate.

The timetable is approximately as follows:

1963-64—Carrying out the study

1964-65—Preparation of the loan for land acquisition by the city through the urban renewal process

1966—Industrial construction

The technical assistance is nearing completion and the results to date are promising. In most of the locations studied conditions have been found to be satisfactory for the general usages associated with commercial and industrial development. From the progress reports it appears that Pawtucket will have found the new sites it needs for expansion.

HARVESTING AND PROCESSING OF AQUATIC PLANTS— CADDO LAKE, TEXAS

Caddo Lake, in Marshall, Texas, on the Texas-Louisiana border, was once a flourishing tourist lake. Its waters were open to fishing, boating, water skiing, and swimming. Tourism was such a substantial industry that reservations were necessary weeks in advance for boats and lodging. But the lake became densely infested with moss weeds, and other aquatic plants, and many resorts had to close.

Despite the efforts of the Texas Game and Fish Commission, the U. S. Army Corps of Engineers and the U. S. Fish and Wildlife Service, there seemed to be no permanent solution. At this point, the community leaders of Marshall called on ARA for technical assistance to ascertain if it was economically feasible to

harvest for commercial use the 15 to 20 tons of wet plants infesting each acre.

Study Undertaken

The community wanted a pilot plant operation for harvesting and processing the lake-



choking plants. Needed was a biochemical analysis of the dehydrated plants to assess their nutritional values as livestock feed and a determination of the market potential for the feed. The local development group raised \$6,000 toward the cost of the project. ARA provided an additional \$62,000 to conduct the tests. One contract was made with a plant harvesting company to do the harvesting and processing, and another with the Agricultural Experiment Station of Texas A & M to run the feeding trials.

Since the completion of the pilot harvesting and processing operations and the feeding trials, a grain and feed company has constructed the first unit of an aquatic plant processing complex at Caddo Lake that will harvest and process the plants into a wide

variety of end products ranging from plant starting pots to animal feeds and possibly pharmaceuticals.

Harvesting a substantial volume of plants will free the surface of the lake from entangling growth and permit it once again to become a tourist attraction. A permanent industry, generating more employment will be established to process marketable livestock feed supplements.

Copies of the detailed report, "Feasibility Study Report on Harvesting and Processing Aquatic Plants from Caddo Lake," are available on inter-library loan from the Library, U. S. Department of Commerce, Washington, D. C. 20230. These may be obtained on loan through your local library.

PROPOSED HISTORICAL ATTRACTION (JOHNSTOWN FLOODRAMA) JOHNSTOWN, CAMBRIA COUNTY, PENNSYLVANIA

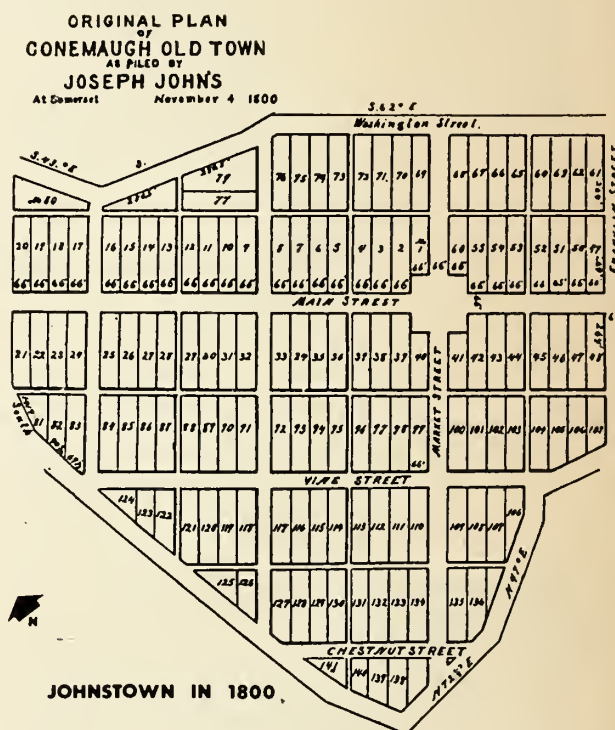
In 1793 Joseph Johns, a Swiss farmer, purchased the land between the Conemaugh River and Stony Creek. Seven years later, he laid out the lots and streets forming the town of Conemaugh. In 1834 the Town of Conemaugh was changed to Johnstown in his honor. In the past, Johnstown was plagued by floods. From 1808 to 1936 over twenty floods covered the land. In 1936 the problem was solved by improving the river channels and employing other flood control measures.

Cambria County, Pennsylvania, is in the heart of the severely distressed bituminous coal region. A sharp drop in mining employment, the closing of the railroad repair shops at Johnstown, and a decline in the clay, glass, and stone products industries hit the area hard.

Between 1950 and 1960 the City of Johnstown, fundamentally a coal and steel town, experienced a 10 percent drop in population, largely in the 20 to 30 year age group. The Bethlehem Steel Corporation, the largest employer in the region, is producing as much steel as it did five years ago with 5,000 fewer employees, due to the installation of an oxygen furnace and automated equipment. In February 1963, unemployment stood at 15.6 percent of the labor force.

Tourism Potential

While strenuous efforts are being made to attract new industries, there are many difficulties which can be solved only on a long-term basis. On the other hand, the scenic and his-



torical advantages of the area can be converted into substantial attractions on relatively short notice and with relatively small expenditure.

Within a day's, or a portion of a day's driving time, are the major urbanized areas of the East Coast and Midwest—New York City, Philadelphia, Baltimore-Washington, Cleveland, Detroit, Chicago. The Pennsylvania Turnpike, 30 miles south of Johnstown, gives it access to one of the principal interstate east-west paths in the U. S.

In an effort to bring new business to the area,

the Cambria County Tourist Council, Inc., was formed. Featuring such attractions as the famous Inclined Plane, a funicular railroad built after the 1889 flood to provide easy access to the hills, and Seldom Seen Valley Mine, thousands of visitors were drawn to Cambria County as the result of this effort.

To mark the 75th anniversary of the great Johnstown Flood, the Council proposed to build a "Floodrama" to re-enact the disaster that overtook Johnstown and its valley neighbors when the South Fork Dam burst on May 31, 1889. Between 2,000 and 3,000 people lost their lives, a greater death toll than the Chicago Fire of 1871.

The proposed miniature replica of the Flood would be an educational and historical tourist attraction in its own right, and would attract overnight visitors to Johnstown. Moreover, there is abundant evidence that projects of this nature do more than bring in new spending and create jobs. They provide a more attractive and interesting community and increase the amenities which are important in attracting new industries.

Need for Study

The Cambria County Tourist Council wanted to know, before undertaking such a project, the answers to the following general questions: how should it be presented, what costs would

be involved, what volume and kind of tourist development could be generated, and what benefits would be realized by the community?

An application was made to ARA for a grant for the feasibility study because the city and county governments, plagued by decreased assessments and difficulty in collecting taxes due to unemployment, were unable to contribute toward the cost. ARA approved \$10,000 for a study, which found the proposed Floodrama economically feasible.

According to the study, the whole project, including alterations to buildings, renovation of the Inclined Plane, and obtaining of exhibitions and parking space, would cost an estimated \$1,620,000. After 5 years of operation it would attract an estimated 225,000 to 250,000 visitors each year.

At periods of peak operation the Plane and Floodrama should employ almost 150 persons. New motels, hotels, entertainment facilities, and restaurants that would be built as a result of increased tourist business would add an unknown number of additional jobs. The payroll of the Plane and Floodrama should reach \$450,000 in 5 years.

The report recommended ways that the community could create a capital pool for this investment from subscriptions by business and individual members of the community as well as other potential sources of financing.

DRILLING TEST SALT WELL— MARIETTA, OHIO

Salt is a basic raw material for the American chemicals industry, which uses more than two-thirds of domestic production. Fertilizers, insecticides, disinfectants, bleaches, explosives and pharmaceuticals are some branches of the industry whose location is influenced by availability of salt. Food processing, textile dyeing, soapmaking, pulp and paper manufacturing, ceramics, and rubber are other important industrial customers.

To be significantly attractive to industry, however, the salt must be present in large amounts, must be of a high degree of purity, and must be close to transportation routes and electric power.

Potential Source

Geologists were reasonably certain that salt beds of sufficient size and quality to support a chemicals plant existed under much of Ohio's new "Industrial Frontier" along the Ohio River. This confidence stemmed from drillers' logs and from the discovery of a salt bed at a depth of 6,800 feet on the West Virginia side



of the Ohio at Ben's Run, about 25 miles east of Marietta.

The overall economic development program committee of Washington County at Marietta,

Ohio, supported by numerous civic groups and public utilities, applied for ARA technical assistance to drill and equip two salt test wells in Jackson Township, Monroe County, and Grandview Township, Washington County, Ohio.

The project was approved with two stipulations:

- That the second well would be deferred and the initial technical assistance limited until there was evidence that the first well would be utilized
- That a royalty of 5 cents per ton of salt recovered would be allocated by the beneficiaries for repayment of the technical assistance costs.

Work Started

A drilling contractor was obtained, and the drill probed through layers of clay, gravel, limestone, shale and sandstone. At the depth of 6,564 feet, the drillers reached the top of a vast salt bed. Borings indicated that the salt bed was approximately 115 feet thick, representing about 300,000,000 tons of salt on the 850-acre site. Tests indicate that the salt is of a high degree of purity, eminently suitable for

the chemicals industry. The well itself was brought in for about \$20,000 under estimated cost. Since its completion, the North American Coal Company (owner of the land), the Monongahela Power Company, the Consolidated Gas Service Corporation, and the Pennsylvania Railroad, allocated \$25,000 for an engineering and soil test survey as follow-up to the drilling program. The results of the survey will be used to provide maximum possible data with which to make rapid and efficient use of the industrial site and salt well.

Industrial Potential

These firms all have a direct and intimate interest in the economic growth of the area. They are informing industrial firms around the country and are confident that new industry will be located in the area in the near future. The Pennsylvania Railroad contends that this portion of the Ohio Valley is likely to become one of the major industrial centers of the United States. As soon as potential rail traffic warrants, the PRR proposes to build new tracks by the site from Omal to Marietta, Ohio, linking this area with the rest of the country.

Peach Products— New Ones Coming

By CAROL MURPHY

EXPERIMENT Experts have unearthed some "peachy" new products to develop the use of Georgia's peach crop. Research at the Georgia Agricultural Experiment Station has produced a new harvest of new peach products to eliminate a waste of the crop.

At the station, part of the research is to develop new products from peach made from the fruit. The products are being developed to meet the needs of the market and to provide a new source of income for the grower.

The products are being developed to meet the needs of the market and to provide a new source of income for the grower.



SURPLUS GEORGIA PEACHES FOR PROCESSED PRODUCTS

The Georgia Agricultural Experiment Station under the supervision of the U. S. Department of Agriculture is seeking to investigate the use of Georgia and other eastern peaches for processed products. This ARA technical assistance project, costing over \$90,000, is scheduled to run for three years.

The development of early season, high quality peaches suitable for planting in the areas north of Georgia and a growing preference for processed rather than fresh products, are adversely affecting the fresh market outlets for Georgia peaches. Nineteen of the designated

counties in Georgia produce large amounts of peaches.

Historically, the greatest majority of processed peach products have been produced from cling peaches with the center of production in California. Cling peaches, not suited for the fresh market because of their cling stone characteristics and extreme firmness of flesh, have proven most acceptable for the canned peach market.

New Peach Products

This project seeks to investigate the possibility of developing new processed peach products which would capitalize on the desirable flavor characteristic of eastern grown peaches

and provide a market for those peaches that cannot be sold on the fresh market. These products include a peach juice concentrate for use as a beverage, either plain or mixed with other juices, canned freestone peaches and pre-packaged sliced dessert peaches.

Preliminary reports from the Georgia Experiment Station indicated that substantial progress has been made in producing and marketing at least four peach products:

- Peach juice concentrate has received substantial consumer acceptance in limited trials. The University of Georgia proposes to manufacture four hundred gallons for more extensive trials in Atlanta this fall. Additional work is being done to determine consumer acceptance of peach juice mixed with other juices.
- A product made from low grade peaches

is already being used in the production of wine in an operating plant.

- There has been considerable expansion in the production of canned freestone peaches. In 1962 production was considerably above previous years and the Georgia Experiment Station anticipates a further expansion in 1963.

- A test marketing program is now underway for the use of high quality peaches as a ready prepared dessert item, both for domestic and restaurant use. The peaches are sliced, syrup is added, then the product is wrapped and kept under refrigeration.

The Chairman of the Food Processing Division of the Georgia Agricultural Experiment Station is optimistic about the commercial success of these products.

THE SCALLOP AND FLOUNDER INDUSTRY— NEW BEDFORD, MASSACHUSETTS

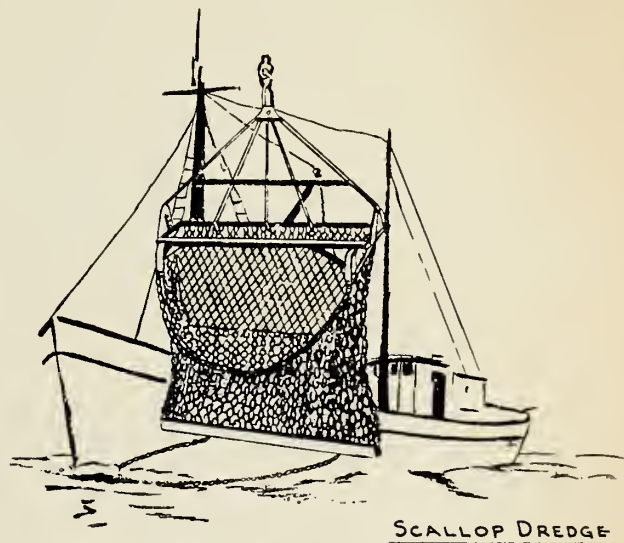
The population growth of New Bedford, Massachusetts, in the late nineteenth and twentieth centuries coincided with the rapid growth of the textile industry. When textiles began to decline in the 1920's, the City made efforts to attract other industries. These efforts were not entirely successful, as evidenced by persistent unemployment in that area. Furthermore, low wages in manufacturing had a depressing effect on all wages in the area.

The best chance for short-run self-improvement is in the fishing industry. Flounder and scallops are the main items of seafood brought into New Bedford. Eighty percent of all scallops marketed in the United States are landed there. Coincidentally, the fishing industry is one of the highest paid industries in New Bedford.

Expanded Processing

In order to expand the city's seafood processing industry as one of the sound economic bases of the area, there were certain questions which needed answering:

- At what rate could scallops and flounder be taken from the sea without causing this to be a failing resource?
- What harbor and dock facilities would be needed for long-range development of the fleet?
- Would boats change in size or equipment in the future, necessitating different berthing facilities?
- Were ancillary facilities such as oil supply and repair yards satisfactory?
- If the fleet were expanded, would there be enough men available for both crew and shoreside labor needs?



- Were any changes called for in existing conservation, labor, or insurance laws, or in similar public policies?

- What is the nature of the demand for scallops—inelastic, with promotion as a luxury good, or elastic, with efforts to lower prices and increase total revenue?

- What changes were needed in processing plant and equipment to keep industry competitive with the increased supplies of foreign fish?
- What types of promotion and sales efforts would maintain and expand the market for New Bedford seafood products?

To answer these and related questions, to lead to more efficient handling methods and cost reductions, and to increase the portion of the scallop and flounder catch processed locally, the New Bedford Institute of Technology un-

dertook a study of the flounder and scallops industry under ARA and Bureau of Commercial Fisheries supervision.

Community Interest

The problems have been numerous and are being worked out over a period of several years. Preliminary results point to success and the psychological effects are already evident in New Bedford.

As a direct consequence of an interim report, the City is building much larger public docks and is creating a new site for seafood processing. Other recommendations have led the way to increased efficiency in the processing plants, making it possible to handle much larger

catches. Formerly, a sudden glut was followed by a sharp price decline. Now, the negative impact of a highly successful catch has been lessened. With the ability to handle increased landings the price can now be maintained, with the expected benefit to the fisherman. Test marketing studies performed under this project have shown the way for expanding the scallop market as far as the West Coast.

The detailed report, "A Technical Study of the Scallop and Flounder Industry of New Bedford, Massachusetts" is available from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402. Price \$1.

REND LAKE RESERVOIR— SOUTHERN ILLINOIS

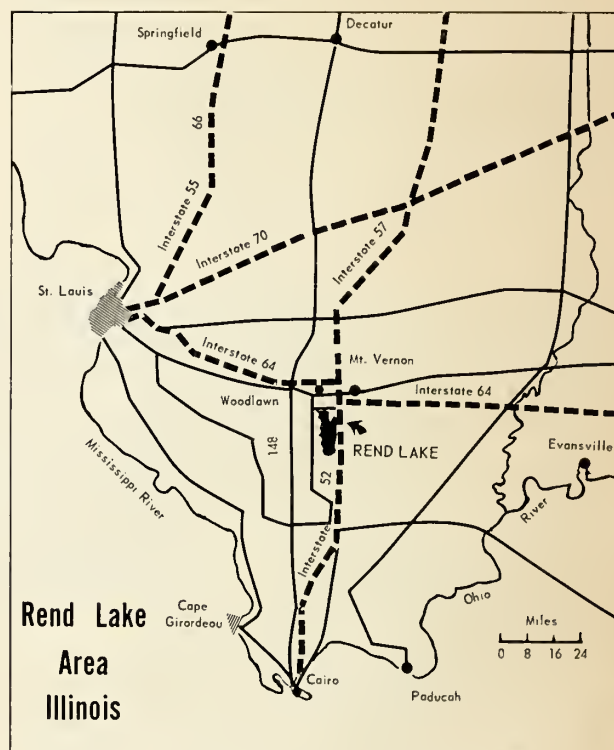
Southern Illinois has long suffered from substantial and persistent unemployment stemming from the improvement in mining technology in the bituminous coal industry over the past forty years. An equally serious cutback in employment in the railroad industry accompanied the dieselization of rolling stock and agricultural employment dwindled in the nationwide trend toward larger farms and greater mechanization. The inadequacy of such an important industrial prerequisite as water supply has increased the difficulty of establishing offsetting job-creating enterprises.

Water Problems

Southern Illinois usually experiences heavy spring rainfall, often accompanied by disastrous floods, and followed by frequent summer droughts, during which many communities suffer from water shortages. Accordingly, water is a potentially abundant resource in Southern Illinois. The realization of this resource depends upon controlling the runoff and storing the water which is now being lost each year. Underground aquifers are generally of low yield or are salt-contaminated.

A study of the 17 southernmost counties in 1957 revealed over one hundred reservoir sites capable of development. The overall economic development program (OEDP) for the Southern Illinois region recommended development of reservoir sites which appeared most economically feasible.

These sites include Rend Lake, on the Big Muddy River, which is potentially the second largest reservoir in the State. Carlyle Reservoir on the Kaskaskia River, is now under construction by the Corps of Engineers and will be the largest upon completion.



Multi-purpose Lake

The Rend Lake Reservoir was projected as a multi-purpose type, providing municipal and industrial water, wildlife refuge and flood control devices. It would provide industrial development possibilities for communities that cannot presently accommodate industrial or even substantial residential growth because of insufficient water supply. Moreover, Rend Lake is located in areas of rich coal deposits. Mine-head generating plants for electricity, which use reservoir water for cooling purposes, would increase employment in coal mining and make lower power rates possible within the area.

In addition, a new regional tourist industry can be expected. The tourist and recreation potential of lakes in Southern Illinois is limited chiefly by the lack of facilities on the lake shores. Three to four million people live within a hundred miles of Southern Illinois. Highway connections are generally good and will be superb when the interstate routes have been completed. Railroad passenger service from Chicago and St. Louis is also good.

Promising Potential

The economic potential of the Rend Lake development is so promising that the Governor of Illinois gave it top priority for assistance under the Area Redevelopment Act, and the State Legislature appropriated one million dollars toward the cost of the project over a two-year period.

Technical assistance to determine the economic feasibility of the Rend Lake Reservoir was approved by ARA and the study completed by the Corps of Engineers. So favorable were the findings of this cooperative effort that ARA approved technical assistance funds for an additional phase, the preparation of design memoranda and the drawing of plans and specifications for the reservoir.

The survey report was presented to Congress in August 1962 by the Corps of Engineers with a recommendation for approval of the project

which would involve a total outlay of over \$35 million. Local interests would reimburse the Government for costs allotable to water supply, currently estimated to be about one-sixth of this amount.

In addition to the primary benefits normally derived from a development of this nature, the Rend Lake project generates additional benefits through its contribution to the reorientation of the depressed economy of the region.

Job Benefits

Of an estimated unskilled labor cost of nearly \$4 million directly attributable to the Rend Lake project, about 60 percent would represent temporary income to the unemployed of the area.

Once the reservoir is operational, flood control, water supply, low flow regulation, fish and wildlife propagation, and recreation are incentives for new economic activities to come into the area. These long range redevelopment benefits are in addition to the primary benefits and will amount to an estimated 5,000 new jobs in the area, with an estimated payroll of \$29,000,000 annually. Furthermore, there would be an estimated decrease in area relief costs of about \$1,000,000 annually, an increase of about \$3,000,000 in Federal income taxes, and inestimable savings in unemployment insurance.

Other ARA Publications

REDEVELOPMENT—Monthly 12-page periodical highlighting news items, feature stories, ideas exchange, bibliographies and miscellaneous information of value to persons and groups engaged in economic development and area redevelopment.. GPO*. Single copy 10 cents, annual subscription (12 issues) \$1 (50 cents additional to foreign addresses).

The Community and Economic Development—Describes the importance of a thriving economy to community growth, and outlines the steps a community can take to develop local economic activity and create new job opportunities. GPO*. Price 30 cents.

Attracting New Industry—Tells how to attract industry by effectively describing area assets to selected industrial prospects. GPO*. Price 20 cents.

Developing "Home-Grown" Industry—Shows how new industry can be developed, utilizing local resources and involving people already in the community. GPO*. Price 15 cents.

How to Make an Industrial Site Survey—Explains how to identify community sites appropriate and available for industry, and how to assemble information on these sites for use in seeking new employers. GPO*. Price 15 cents.

ARA Case Book #1—A Four-town Redevelopment Area in Southwestern Connecticut Composed of the Towns of Ansonia, Derby, Oxford and Seymour: This report discusses the area's employment trends and potentials in relation to manufacturing, tourism, and research; the role of government and private business; and an overall development theme. GPO*. Price 15 cents.

ARA Case Book #2—The Economic Feasibility of Establishing a Vegetable Processing Plant in Jackson County, Florida: Analysis of the economic feasibility of establishing a fresh vegetable canning or freezing plant in Jackson County, Florida, and estimates of the gross and net returns which might be anticipated from such a business venture. GPO*. Price 15 cents.

ARA Case Book #3—The Economic Feasibility of a Travel Service Center in Henryetta, Oklahoma: A feasibility study of a proposed travel center, an



A000071999135

UNITED STATES
GOVERNMENT PRINTING OFFICE

DIVISION OF PUBLIC DOCUMENTS

WASHINGTON, D.C. 20402

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300

examination of traffic flow, needs for truck service, estimated sales and receipts of all possible travel services, and an estimate of profit rates. GPO*. Price 15 cents.

ARA Case Book #4—An Economic Review of Aroostook County, Maine, with Particular Reference to the Potato Industry: A review of the potato industry in Aroostook County, Maine, covering background on potato production, processing, storage and markets in relation to fluctuating prices, and potential solutions to these problems. GPO*. Price 10 cents.

ARA Case Book #5—Closing of the Studebaker Plant. South Bend, Indiana: Description of steps taken to minimize hardship to individuals and the community upon the closing of the Studebaker plant in South Bend, Indiana, and analysis of how to prevent or minimize the deleterious effects of future major industrial or defense shutdowns. GPO*. Price 15 cents.

ARA Field Report—Proposals for Making the Development Program More Effective in Jefferson County, Illinois: Department of Commerce. Price 10 cents.

ARA Field Report—Opportunities for Economic Development in the Bristol-Plymouth Area, Connecticut: Department of Commerce. Price 10 cents.

ARA Field Report—Opportunities for Economic Growth in the Washington, Missouri, Redevelopment Area (Franklin County): Department of Commerce. Price 10 cents.

ARA Field Report—Opportunities for Economic Growth in the Cambridge, Ohio, Redevelopment Area: Department of Commerce. Price 10 cents.

ARA Field Report—Opportunities for Economic Growth in the Reynolds and Wayne Counties Redevelopment Areas, Missouri: Department of Commerce. Price 10 cents.

ARA Field Report—Opportunities for Economic Growth in the McAlester, Oklahoma, Redevelopment Area (Pittsburg County): Department of Commerce. Price 10 cents.

ARA Field Report—Suggested Development Opportunities for Russell County, Virginia: Department of Commerce. Price 10 cents.

ARA Field Report—Opportunities for Economic Improvement in the Muskogee, Oklahoma, Redevelopment Area: Department of Commerce. Price 10 cents.

**Publications identified by "GPO" may be obtained from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402. Publications identified by "Department of Commerce" may be obtained from U. S. Department of Commerce, Washington, D. C. 20230.*



U.S. DEPARTMENT OF COMMERCE

Luther H. Hodges, Secretary

AREA REDEVELOPMENT ADMINISTRATION

William L. Batt, Jr., Administrator

OFFICE OF PLANNING AND RESEARCH

Gordon E. Reckord, Asst. Administrator

CONTENTS	PAGE
Technical Assistance in Area Redevelopment	1
Commercial Development of Timber-based Industries— Eastern Kentucky	2
Drainage Problems and Soil Bearing Capacity—Moshassuck Valley, Pawtucket, R. I.	4
Harvesting and Processing of Aquatic Plants— Caddo Lake, Texas	5
Proposed Historical Attraction (Johnstown Floodrama), Johnstown, Cambria County, Pa. .	6
Drilling Test Salt Well— Marietta, Ohio	7
Surplus Georgia Peaches for Processed Products	8
The Scallop and Flounder Industry— New Bedford, Mass.	9
Rend Lake Reservoir— Southern Illinois	10